

Speed Thrills

**Results of Business Systems
Integration at BWXT Y-12 L.L.C.**



Business System Architecture

Historical

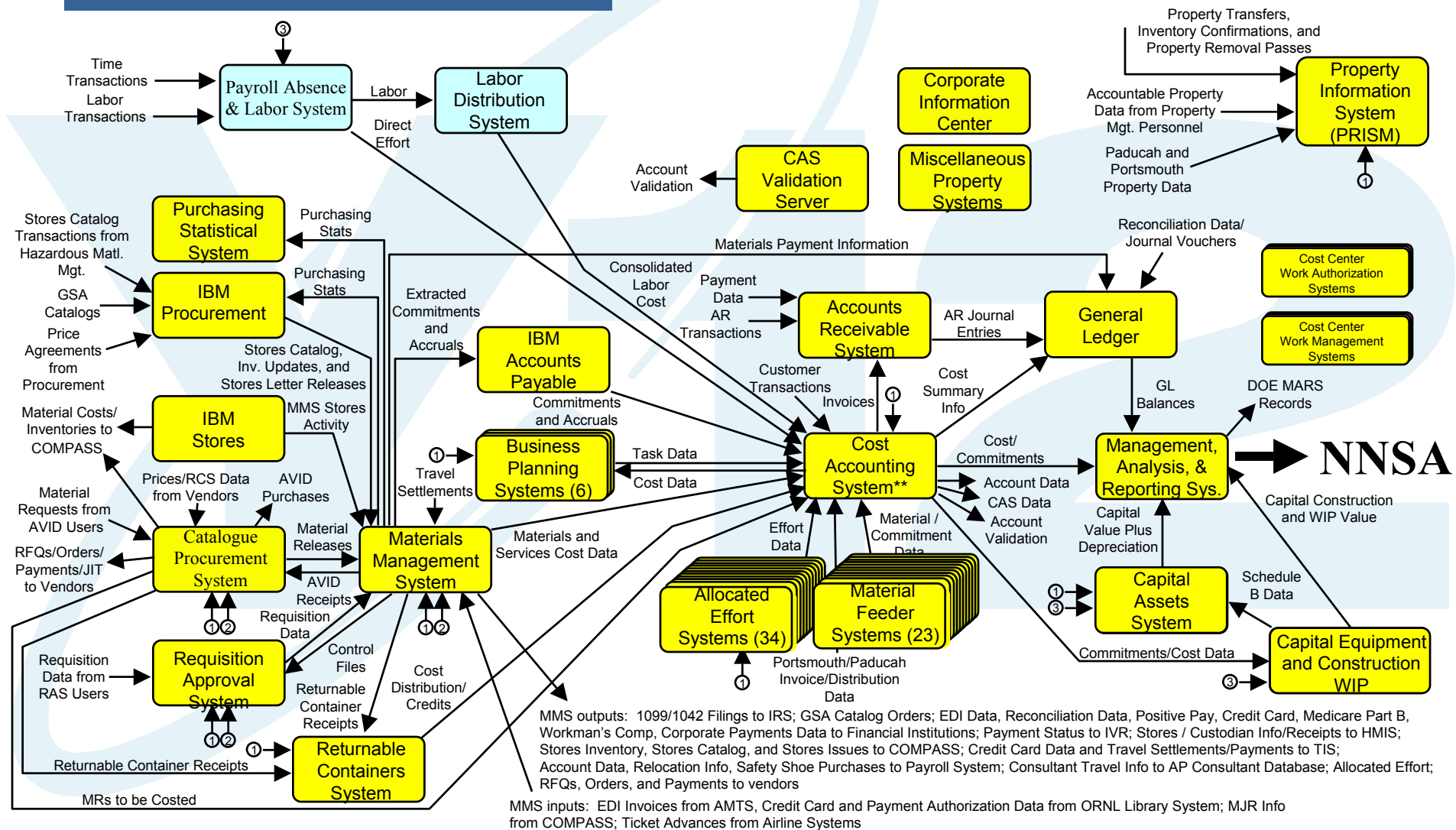
- ✓ Core accounting system: 20% D&B, 80% homegrown
- ✓ Materials management systems (proc., AP, Inv) were linked, homegrown, batch to costing
- ✓ Time collection and labor processing homegrown, batch to costing
- ✓ Network of homegrown Accounts Receivable processes with non-integrated balances
- ✓ Reporting independent for all feeders and primarily hard copy

Current

- ✓ SAP with some added features; no source code changes.
- ✓ All materials management functionality imbedded in SAP and integrated with costing
- ✓ Time collection and labor processing native to SAP and integrated with costing
- ✓ AR imbedded in SAP and produces integrated subsidiary ledger
- ✓ Fully integrated reporting, all on line

Finance / Acquisition Pre-SAP Applications Architecture

PRE -



** CAS includes the Customer Reports System

Human Resources /
Payroll Interfaces

Additional Finance /
Acquisition Functionality
not in SAP R/3

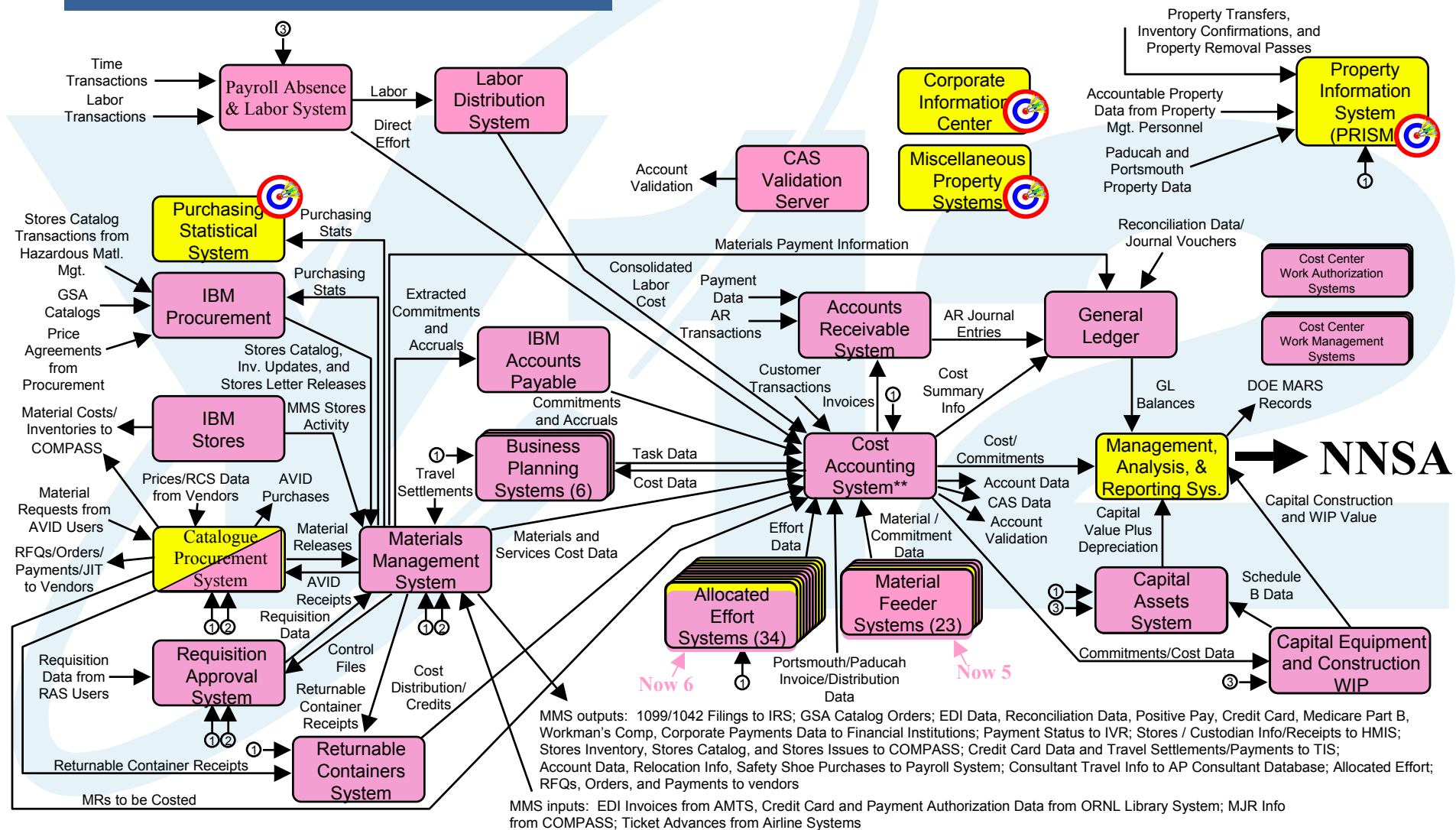
1 = Employee Master
2 = Hazardous Materials Tables
3 = CAS Validation Server

11/27/96

Finance / Acquisition Pre-SAP Applications Architecture



has replaced



** CAS includes the Customer Reports System

Finance/Acquisition

Human Resources / Payroll Interfaces

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1 = Employee Master

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Business System Performance

Historical

- ✓ All activities cut off with last full week of the month to allow processing of cost
- ✓ Cost distribution processing heavily dependent on IT staff
- ✓ Manual bad charge correction
- ✓ Cost data available for first review early 4th work day
- ✓ Significant time involved in cost and ledger/subsidiary ledger reconciliation
- ✓ Hard copy reports printed and distributed to field via courier after fourth work day

Current

- ✓ Weekly direct effort distribution; all other month end
- ✓ Month-end close run entirely by Accounting staff
- ✓ Validation at point of entry
- ✓ Cost data available for first review afternoon of last w.d.
- ✓ All cost and ledger balances fully reconciled by the system with no manual intervention
- ✓ On line reporting available immediately with completion of month-end processing

New Month End Close Schedule

Target: Submit MARS by Noon of the Second Work Day

Last Work Day Schedule

11:00 a.m. Close month/kick off month end routine (previously noon)

1:00 p.m. Run overhead

2:00 p.m. Run Variance Jobs

3:00 p.m. Announce cost as unofficial - begin field review

5:00 p.m. Close field review and post adjustments

Kick off routine to post programmatic cost to GL

8:00 p.m. Verify that all cost is settled/balances are zero

10:00 p.m. Sanction cost

Begin Accounts Receivable system routines

Kick off cost object closure routines

New Month End Close Schedule

Target: Submit MARS by Noon of the Second Work Day

First Work Day Schedule

7:00 a.m. Accounts Receivable processing begins

12:00 p.m. A/R work completed and submitted for MARS processing

MARS validation/reconciliation/adjustment process begins

Second Work Day

11:00 a.m. MARS ready to transmit to ORO

Y-12 is now doing a weekly soft close of cost that includes all elements except major monthly distributions (e.g. utilities).

Monday

- ✓ Close out time collection from previous week by 9:00 a.m.
- ✓ Perform weekly payroll processing and effort distribution (completed by Tuesday morning)

Tuesday

- ✓ Settle all maintenance orders and run all overhead pools
- ✓ Cost is available for previous week (through Sunday night) generally by Tuesday night

What have we gained from a weekly close?

- ✓ More current status for our project managers and budget control staff.
- ✓ Provides more current data to support a new Work for Others control process:
 - 20% of project funds are reserved up front
 - System triggers project review at 75% cost and commitment level before release of reserved funding
 - System flags any project meeting or exceeding 100% expenditure for review and potential closure by Controller